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Hydrogenation Factory

* 788 *Q.*—SRI M. NARAYANA KURUP : Will the Hon. the Minister for Agriculture be pleased to state why the Hydrogenation Factory at Kozhikode, Malabar, has not yet started work?

THE HON. SRI M. BHAKTAVATSALAM :—" The Government Hydrogenation Factory, Kozhikode, has not yet started regular work as the Government considered that the economic working of the factory was not feasible in view of the unsteady market price of groundnut oil."

SRI M. NARAYANA KURUP :—" Have the Government any intention of starting this factory which has been built after spending so many lakhs of rupees? The Government have been assuring this House that the factory will go into production on the nearest possible date."

THE HON. SRI M. BHAKTAVATSALAM :—" No doubt, this factory has been built at considerable cost from public funds. But, now, on account of the fall in the price of the oil, it is estimated that if the factory should take up regular work, it would result in a loss of Rs. 9,28,000 per annum. Therefore, it is proposed to lease out this factory and in the meanwhile, a trial run is undertaken with the raw products that have been already purchased."

SRI T. C. NARAYANAN NAMBIAR :—" After the completion of the construction of the hydrogenation factory, there was a proposal to lease it to private firms or individuals. Then there was a lot of agitation and representations were made to the Ministry. Then, a sub-committee of the Cabinet consisting of three Members was constituted. Those members have visited Kozhikode and received representations. Based on that, an assurance was given that the factory would not be leased and that work would be started. Now, may I know from the Hon. Minister why there is this slowing down in regard to starting of work? Is it to be presumed that even now the Government have got a proposal to lease it to some firms or individuals and not take up the work themselves directly? Will the Hon. Minister give an assurance that in view of the importance of the factory, the amount that has been spent on that by the Government and the desire of the people as a whole, the Government will start work immediately?"

THE HON. SRI M. BHAKTAVATSALAM :—" I do not know what assurance has been given in the past. But it is as the result of scrutiny by the committee that was referred to by the hon. Member that the Government have taken this decision. I do not think that either the hon. Member or this hon. House or the people of Malabar outside would approve of running of a factory which would result in a loss of rupees 9,28,000 per annum."

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11-50 a.m. Dr. K. B. MENON :—" Will the Hon. Minister make available to this House the main recommendations of that committee and also explore the possibilities of using this factory for some allied product and being run by the Government? "

The Hon. Sri M. BHAKTAVATSALAM :—" The Government have been examining the question in consultation with the Industrial Adviser to the Government of India, whether it could be put to other use. Regarding the recommendations of the committee, if the hon. Member puts a separate question, I can furnish the information."

Sri B. K. NALLASWAMI :—" In view of the fact that Kozhikode is only a coconut oil producing centre and for the hydrogenation plant only groundnut oil is used, will the Government consider the question of shifting the plant to some other central place where groundnut is produced in abundance? "

The Hon. Sri M. BHAKTAVATSALAM :—" I may tell the hon. Member that even the private people who run Vanaspathi factories are not able to take up the work and they have all failed."

Sri T. ANANTA PAI :—" May I know what is the capital expenditure on this project so far as buildings and machinery are concerned? "

The Hon. Sri M. BHAKTAVATSALAM :—" Raw materials to the tune of Rs. 3½ lakhs have been purchased. Both the machinery and the buildings for the factory cost Rs. 18 lakhs."

Sri S. C. C. ANTHONY PILLAI :—" From the Hon. Minister's reply, it is clear that the Government expect that if private enterprise should undertake to run this factory, they can convert the potential loss of Rs. 9 lakhs into a profit. Does it imply that the Government are so inefficient? "

The Hon. Sri M. BHAKTAVATSALAM :—" Whether the Government are inefficient or not, I am not so ignorant as to imply any such thing as interpreted by the hon. Member. In my answer what I meant was that the Government are not prepared to undertake the responsibility of running the factory and if any private enterprise comes forward to take it up on lease and put it to any use that they might think fit, we might allow them reasonable terms. That is the idea of the Government."

Sri K. PARTHASARATHY :—" The Hon. Minister has stated that even the private Vanaspathi factories are experiencing difficulty at present. So, have the Government examined the reasons and causes which led to that difficulty? Also, will the Government devise ways and means to help them? "

The Hon. Sri M. BHAKTAVATSALAM :—" I would suggest to the hon. Member to put a separate question."

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Sri R. V. SWAMINATHAN :—" In view of the fact that different opinions have been expressed on the use of Vanaspathi in the country and particularly in our State, may I know the policy of the Government in this matter. Do they want to encourage Vanaspathi or discourage it? "

The Hon. Sri M. BHAKTAVATSALAM :—" That question does not at all arise. If the people want it and if there is demand for it, the Government would undertake that proposition. Otherwise, they will not do it."

Sri M. NARAYANA KURUP :—" The Hon. Minister has stated that some Vanaspathi companies in this State have failed. I would like to know, which are those companies and whether they are situated in areas which produce large quantities of groundnut? "

The Hon. Sri M. BHAKTAVATSALAM :—" Yes, Sir, but I may not be able to give a list of those companies. I can tell the hon. Member that one factory which has been built in the centre of the State where groundnut is produced, viz., Villupuram, is not able to go further."

Sri V. K. RAMASWAMY MUDALIAR :—" Will the Government consider the desirability of auctioning this factory if a private party comes and takes it up for running it."

The Hon. Sri M. BHAKTAVATSALAM :—" There will be time enough for the Government to consider that suggestion. The Government are now trying to get the maximum out of it and they would explore the possibility of some enterprising businessmen taking it up on lease."

Pallikara-Periya road

* 789 *Q.*—Sri M. NARAYANAN NAMBIAR : Will the Hon. the Minister for Local Administration be pleased to state why the construction of the Pallikara-Periya road in Kasaragod taluk, South Kanara, has not yet been completed?

The Hon. Sri S. S. RAMASAMY PADAYACHI :—" Of the total length of four miles of the road, a portion measuring 3 miles 7 furlongs has been formed and the formation of the remaining one furlong is held up due to land acquisition delays."

Sri M. NARAYANAN NAMBIAR :—" Sir, the non-formation of the road is in the middle of the total length of the road. Is it under the instruction of the Government that the work has been delayed. If not, will the Government pass orders to expedite it? "

The Hon. Sri S. S. RAMASAMY PADAYACHI :—" The delay is due to land acquisition. No instruction has been issued by the Government."